



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

September 27, 2006

Erwin Sass, General Manager Canyon Fuel Company, LLC P. O. Box 1029 Wellington, Utah 84542

Subject: Final Approval of Degas Wells G-13 thru G-17, Task ID # 2580, Canyon

Fuel Company, LLC, Dugout Canyon Mine, C/007/0039

Dear Mr. Sass:

The Division granted Canyon Fuel Company, LLC a conditional approval relative to Task ID # 2580 on August 11, 2006, pending the receipt of five clean copies prepared for incorporation. The Division received the required clean copies on September 26, 2006. Canyon Fuel has now met all requirements for Final Approval of this permitting action.

A copy of the G13-G-17 degasification well amendment which has been prepared by the Division for incorporation into the degasification well stand alone document is enclosed. Required text changes to the mining and reclamation plan have also been prepared for incorporation and same are included. A copy of the updated Master Technical Analysis will be provided with the approval of the Refuse Pile Expansion amendment (Task ID #2550).

Thank you for the expedient finalization of this permitting action.

Sincerely,

D. Wayne Hedberg Permit Supervisor

PHH/sd Enclosures

cc: Ranvir Singh, OSM

Jim Kohler, BLM John Blake, SITLA

Mark Stillson, Water Rights w/o

Dave Ariotti, DEQ w/o Derris Jones, DWR w/o

Price Field Office

O:\007039.DUG\FINAL\FINAPPR2580.doc